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CIA

DATE

COUNTRY: Ceylon

SUBJECT: Economic Survey

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SOURCE:

1. "In an article entitled 'Economic Survey of 1953' the Ceylon Daily News has summed up economic development in the island during 1953 as follows:

Cost of Living - STEADY
Wages - SLIGHTLY UP
Foreign Assets - DOWN
IMPORT Prices - UP

Import Prices - DOWN
Money Supply - DOWN
Rates - SLIGHTLY UP
Credit - TIGHTER

2. "The population of the island has crossed the eight million mark. At the census of March 1953 the population was 8,103,648, having grown by 1.5 million since the previous census of 1946.
3. "Considering the severe set-back to Ceylon's economy as a result of the sub-siding of the Korean War boom in 1952, the year 1953 is described as a year of re-adjustment. The country's external assets at the end of 1953 stood at Rs 608.2 million and were at their lowest level since Ceylon obtained independence. The government's efforts to conserve dwindling foreign assets are bearing results.
4. "There has been a definite improvement in the country's foreign trade. The balance of visible trade in 1953 is estimated at Rs 20 million as against a deficit of Rs 200 million in 1952. The main causes of the improvement are: a drop in the value of imports though not involume; heavy shipments of rubber to China at prices above the world market; good sales of tea and some improvement in coconut product prices, especially oil. On the import side, food and feeding stuffs accounted for nearly 48% of Ceylon's total imports in 1953 estimated at Rs 1590 million.

5. "With the expectation of a bumper rice crop this year, and an improved outlook for her staple exports, tea and rubber, Ceylon faces 1954 with cautious optimism."

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